

# EXECUTIVE DIRECTOR'S MONTHLY REPORT

## FEBRUARY 2006

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Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

### **I. Improve the efficiency and accountability of management within the organization**

- I am absolutely delighted to notify the RC that by letter dated January 20, 2006 Caltrans informed us that we have been removed from the “High Risk” designation. This is a result of SCAG complying with all requirements specified by Caltrans on May 4, 2005. On this RC Agenda is ratification of a contract with Caltrans that transferred to Caltrans federal funds appropriated to SCAG and committed SCAG to a \$62,000 match. Execution of this contract allowed Caltrans to remove the “High Risk” designation.
- Staff completed preparation of the draft FY 06-07 Overall Work program (OWP) based on proposals from SCAG staff and sub-regions. The draft budget was provided to, and discussed with, the sub-regional coordinators at their January 19th meeting. A budget workshop is scheduled for the February 2nd Regional Council meeting. In addition to the OWP, the presentation will include the proposed FY 06-07 General Fund, Fringe Benefit and Indirect Cost budgets. Late last week we received notice that our funding mark has increased. Staff is coordinating with the Sub Regions on finalization of their requests. The final budget will be considered for adoption by the RC on March 2, 2006.
- Audits. The subregional audit report on the Orange County Council of Governments (OCCOG) was issued on January 4, 2006. The report was discussed at the Audit Committee meeting on January 12, 2006. The audit of the San Gabriel Valley Council of Governments (SGVCOG) continued with a site visit at the SGVCOG offices on January 4, 2006. Most of the field work is completed. The next steps will be preparing a draft which will be sent to San Gabriel COG for comment prior to finalization. The audit program for the subregions was presented at the committee meetings on January 5, 2006.

At the direction of the Audit Committee staff is preparing three documents for discussion at their February 9th meeting. The documents include: 1) A User Guide for Sub Regions that discusses their requirements for internal controls under federal and state regulations; 2) A Guide for Regional Council members to be used in their roles of oversight of internal controls; and, 3) An Appeals Process for internal audits conducted by SCAG's Internal Auditor.

### **II. Provide support to the Regional Council in providing direction and Leadership to SCAG**

- On January 4th I made a 40th Anniversary Presentation to SANBAG about our accomplishments and our continuing partnership with them.
- On January 12th I had a follow-up meeting with Mike Copp, City Manager, members of the City Council and others from the City of South Pasadena regarding the I-710 Gap Closure and the RTP.

- On January 17th I co-chaired a meeting with the League, CSAC and Environmental groups to develop amendments to SB 832 on CEQA efficiencies. The group outlined possible approaches, and agreed to meet again on February 3rd.
- On January 18th I attended a meeting at the SCAQMD in Diamond Bar to discuss updating the SIP for the South Coast Air Basin. Other participants included Catherine Witherspoon and Lynn Terry of ARB, Barry Wallerstein, Linda Murchison and others.
- On January 19th I met with BT&H Secretary McPeak on how we were planning to proceed on the Regional Housing Needs Determination. This meeting was followed by a meeting with President Toni Young, myself and staff at the Economic Summit where Secretary McPeak and Secretary Mike Chrisman of the Resources Agency presented us with our Blueprint Planning Grant of \$1.2 Million.
- On January 20th President Toni Young and I, and Mayor Villaraigosa participated in the Governor's Press Conference on the Governor's proposed Bond Initiative, where they both committed to work with the legislature to pass legislation that would go to the voters this year.
- On January 23rd I spoke to the Los Angeles Grand Jury on the State of the Region.
- On January 23rd I presented our Regional Aviation Strategy to the Los Angeles World Airport Commission. I emphasized the short and mid-term benefits of fly away stations strategically placed in relation to High Occupancy Vehicle lanes coupled with a long term strategy of building High Speed Rail to access Ontario and Palmdale airports. I asked the Commission to collaborate with us and the Transportation Community in implementing these initiatives.
- On January 27th I participated on a panel at the California Trucking Association meeting on tolls and truck only lanes where the CTA reaffirmed their support for our toll truck lanes.
- On January 27th I spoke at U.C. Riverside's Conference on "The New Collaborative Region" on the financing program underlying the Compass 2% Strategy.
- On January 30th I presented our Southern California Mega-region report to the Elected Officials and business leaders of the Southeastern States in Atlanta, Georgia.
- The City of Torrance has offered to host the 6th Annual Regional Housing Summit at the Toyota Meeting Hall on Thursday, April 20, 2006. Please mark your calendar as this promises to be an important event focusing on regional housing planning issues, Compass program initiatives and Blueprint grant inauguration.

### **III. SCAG OPERATIONS**

- Business Operations. A Business Operations work plan has been developed and reviewed by Executive Management. The plan identifies 12 areas for improving administrative efficiency and support to SCAG including organization, teamwork, communications, management systems and meeting services. The Business Operations staff will proceed to implement the elements of the plan.
- Recruitments. The Director of IR finalists have been selected with reference checks being done. Department Directors are asked to meet the finalists.

- The CFO and Manager of Finance first review date has passed. The applications are being reviewed with initial interviews expected in February.

Several other staff recruitments are underway.

- Training and Development/Professional Pathways. The new Employee Assistance Program training was provided to all supervisory employees on January 18th and all other employees on January 26th. Speech communication training is on-going for staff.

#### IV. Implement Adopted Regional Plans

- Compass 2% Strategy. The Compass Partnership met on January 31st. John Fregonese, Principal, Fregonese Calthorpe Associates, will provide tangible examples of Demonstration Project ideas for local governments. Also, we are inviting elected officials and management from our past and current Demonstration cities to share their experiences utilizing these services. With the Partnership's input, we will explore additional services that might be useful to our member cities.

We are continuing to accept applications for additional Demonstration Projects for our next round of selection. I ask that you to encourage your colleagues to apply for these free resources. Additional information is available on-line @ [www.socalcompass.org](http://www.socalcompass.org).

- Goods Movement. SCAG co-hosted a major goods movement conference, Faster Freight Cleaner Air, January 30 – February 1 in Long Beach. The agenda included presentations by Hasan Ikhata, Keith Killough, and our consultant Rob Leachman on his elasticity study. Dr. Leachman's work will also be presented later that week at the National Urban Freight Conference, of which SCAG is also a sponsor.

Staff arranged meetings with representatives of U.S. EPA, U.S. DOT, the Office of the Trade Representative, the Council on Environmental Quality, and Governor Schwarzenegger's representative in Washington, DC, to further the development and ultimate signature of a Memorandum of Understanding among federal, state and local agencies regarding collaboration in addressing goods movement issues.

- Current Goods Movement Activities

##### 1. Environmental Mitigation Plan for Goods Movement in Southern California

As SCAG is responsible for the transportation component of the air quality planning for the region, the agency is seeking a consultant to assist staff in preparing an environmental mitigation plan for the goods movement system, which will include up to \$10 billion worth of mitigation projects. This study will attempt to answer the question of whether a mitigation program totaling \$10 billion will be sufficient for the region to meet health-based air quality standards. If \$10 billion is not sufficient, the study will determine what additional actions and funding are needed.

##### 2. A second study related to short-term Port and Modal Elasticity

The purpose of this project is twofold. The first is to continue to outreach to goods movement system operators such as shippers and carriers to get feedback on and confirmation of the findings

of the Port and Modal Elasticity Study. The second is to develop a short-run elasticity model (2-10 years) to complement the long-run elasticity model developed in the first Port and Modal Elasticity Study.

- Intergovernmental Review (IGR). Staff briefed CEHD on recent efforts to integrate Compass into the IGR program. Procedures since January 2005 include more streamlined comment letters, inclusion of Compass in list of regional plans on which we base reviews, and recognition of projects that appear to be implementing Compass. Further enhancements to be undertaken in 2006 include utilizing additional staff for a more thorough and relevant review, commenting on all projects in 2% Strategy areas, and notifying relevant Regional Council and/or Subregional representatives of projects on which SCAG has commented. Staff will also be briefing CEHD about project updates on a more frequent basis and will periodically seek a policy position from CEHD, most likely on projects or plans that clearly implement Compass.

## **V. Develop Additional Planning Efforts**

- Energy. On March 10, 2006, the Southern California Association of Governments will host a conference to discuss the region's energy future. The goal of the conference is to engage the Regional Council, other elected officials, and representatives from industry, non-profits and academia in discussions of major energy topics, identifying both opportunities and challenges. The conference will also help develop the Energy Chapter of the Regional Comprehensive Plan. The one-day conference will feature energy experts, including Matthew Simmons, the Chairman of Simmons & Co. International, and independent investment bank specializing in the energy industry. Mr. Simmons served as energy adviser to U.S. President George W. Bush and is the author of the book "Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy."
- CEQA. Staff held a second meeting with the California League of Cities, the County Supervisors' Association of California, and various environmental groups. This group of stakeholders is working on a legislative proposal that would allow CEQA streamlining for certain projects based on consistency with a regional plan that meets specific performance requirements, including reducing vehicle miles traveled, protecting open space, and improving air and water quality. Provided that the participants can come to agreement, Senator Perata is amenable to incorporating a proposal into legislation this year. Staff briefed members of the Regional Council on this issue at the workshops on January 5th and January 19th.
- Regional Comprehensive Plan (RCP). Staff is preparing to release a series of Requests for Proposals for assistance on the Open Space and Finance components of the Regional Comprehensive Plan (RCP) to address new SAFETEA-LU requirements. The RCP Task Force continues to meet monthly, on the fourth Monday, and is reviewing a specific chapter topic at each meeting. Members of the Regional Council are encouraged to participate in these meetings.
- As part of the CEO's monthly meeting, elected officials representing the county transportation commissions and President Toni Young met with the CEO's to begin a dialogue regarding institutional arrangements for the Goods Movement Program. As a result of the discussion, SCAG was asked to set

up an executive level staff meeting, including officials from the ports to solicit their input. Staff is endeavoring to schedule such a meeting. After that meeting takes place, then there would be further discussions involving elected officials.

- Status of the proposed MOU with the Federal Agencies to collaborate among the Federal, State and local agencies to implement, mitigate and finance freight infrastructure. On January 23-25, 2006, SCAG along with our SANBAG and OCTA partners, attended a series of meetings in Washington, DC, in follow-up to a similar series last June. At the January meetings, high-level commitments were received from the US Department of Transportation (DOT), Department of the Interior (DOI), the US Fish and Wildlife Service (FWS), the US Trade Representative (USTR), the US Environmental Protection Agency (EPA), and the White House Council on Environmental Quality (CEQ) to enter into an agreement to collaborate with state and local agencies during development, implementation, and innovative financing of an integrated freight infrastructure, environmental, and community impact mitigation strategy for Southern California.
- Forecasting. The 2007/o8 growth forecast process is currently moving forward again with the issuance of a notice to proceed to the consultant. The major milestones of the 2007/o8 RTP Growth Forecasts for the remainder of this fiscal year include:
  - January 2006: Working with consultant, convening the Panel of Experts to review and comment on 2007/o8 RTP no-project growth forecast at regional/county/subregional level.
  - February 2006: Counties/subregions are invited to present their forecasts and any pertinent growth issues to the Panel of Experts.
  - March 2006: Panel of Experts review and comment on Draft 2007/o8 RTP no project growth forecasts at regional/county/subregional level.
  - June 2006: Draft 2007/o8 RTP no-project growth forecast at City/Small Area level.

In addition, Forecasting staff will work intensively between now and March to provide socioeconomic datasets to support the 2007 AQMP model development and modeling efforts.

## **VI. Data & Planning Methods**

- Performance Assessment and Monitoring
  - 2005 State of the Region Press Release. The press conference to release the State of the Region 2005 was held on January 5, 2006 at SCAG offices. The press conference was moderated by Mayor Ron Loveridge, Chair of the Benchmarks Task Force that provides guidance to staff on the State of the Region efforts. Other press conference panelists included SCAG President, SCAG 1st Vice President, Benchmarks Task Force Vice Chair and SCAG Executive Director. The release was covered prominently in the media throughout the region and beyond, including at least 25 newspapers, 11 TV stations and 5 radio stations. Staff has also received invitations to make presentations on the State of the Region to public and private organizations throughout Southern California.

- Travel Model Improvement. Together with the USDOT's Volpe Center from Cambridge, MA, staff sponsored the 3rd and final national expert and peer review on the SCAG Travel Model Improvement Project on January 9-10, 2006. Noted modeling experts representing the Federal Highway and Transit Administrations, metropolitan planning organizations, universities, and private consultants participated in this peer review. The panel commended the model for its heavy duty truck analytical capability and the investment in data used to refine the model. Noted were the handling of commute trip types and the time-of-day stratification in the model. The panel also suggested a meticulous model validation process which is now underway.

## VII. Legislative Program

- SCAG hosted a very successful workshop for all Regional Council and Policy Committee Members on January 19th. Approximately 23 members attended the workshop, where we worked to formulate an action plan ensuring that SCAG's priorities relating to transportation infrastructure (including the Regional Growth Plan, CEQA efficiency, the Regional Housing Needs Assessment and other priorities identified in the Regional Transportation Plan and the Legislative Program) are included in the final infrastructure bond measure that comes out of Sacramento.

Both the California State Senate and Assembly will be starting hearings on the proposal soon, and I will be working closely with legislative leadership and top administrative offices to keep them informed of your adopted priorities.

We have introduced a spot bill in the legislature that would allow tribal nations in the SCAG region to join our Joint Powers Authority.

- The 2006 Southern California Consensus trip will take place on February 7th and 8th and will have representatives from MTA, VCTC, OCTA, Metrolink, RCTC, IVAG, SANBAG and SCAG. We will be discussing goods movement and the upcoming reauthorization of SAFETEA-LU.
- Staff has been working with ABAG to develop a legislative proposal to meet the Regional Council's concerns regarding the reimbursement of RHNA costs in light of the ruling by the Commission on State Mandates late last year. As a result of those efforts it is anticipated that a spot bill will be introduced which would restore the eligibility of COGs to claim reimbursement. Additionally, the legislation would seek a statutory extension for both SCAG and ABAG to do the next RHNA cycle.
- Planning is also underway for the 2006 Sacramento Day, which will be held on a date in March. This day is reserved for members of the SCAG Regional Council to educate and advocate legislators on issues of importance to the region. The focus of this year's trip will be on the major state infrastructure bonds recently introduced by the Governor and Senator Perata.

Thanks to your hard work this is shaping up to be a banner year for SCAG initiatives.

I will continue to give you updates on all legislative issues, including the infrastructure bond proposals, as the legislative session moves forward.